(b) For the portfolio investments of Foreign Institutional Investors (FIIs) no lock-in period is stipulated.

(c) and (d) The long term and Short term Capital Gains on portfolio investments of FIIs are taxed at the rate of 10 percent and 30 percent respectively and the dividend and interest income at the rate of 20 percent. The Indian Institutional Investors like Unit Trust of India and Mutual Funds registered with SEBI are exempted from payment of tax.

Rationalisation of customs duty structure

2692. SHRI B. K. HARIPRASAD: Will the Minister of FINANCE be pleased to state:

(a) whether inverted duty structure is still prevent in the country, which encourages import of finished products than the raw material for the production of polystyrene;

(b) whether Government are aware of the diversion, on this account, of a mammoth investment of more than DM 150 million by BASE of Germany to China in preference to their earlier plan for polystyrene plant at Mangalore in Karnataka;

(c) whether it is a fact that BASE had acquired land and built up infrastructure for their plant at Mangalore, which is now being used for setting up of a smaller unit for manufacturer of dyestuffs and dispersions; and

(d) whether Government are considering rationalisation of customs duty structure, in tune with liberalisation policy to attract potential investments from abroad?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURIHY): (a) No, Sir. The present customs duty structure on Polystyrene and its major raw materials is as indicated below:—

(i)	Styrene	— 15% ad valorem
(ii)	Ethylbenzene	— 15% ad valorem
(iii)	Polysterene	— 55% ad valorem

(b) The question of diversion of investment on account of the duty structur does not arise in view of (a) above.

(c) The factual information is being collected and will be laid on the Table of the House in due course.

(d) A number of changes have been made in the Union Budget for the year 1994-95 which will, inter-alia, provide a strong stimulus for new investments.

Import of insecticides and pesticides

2693. SHRI BHUPENDER SINGH MANN: Will the Minister of FINANCE be pleased to state:

(a) whether Government propose to continue import of fertilizers insecticides, pesticides, etc. for a healthy competition in the local market for the benefit of the farmers; and

(b) what steps are proposed by Government to ensure that the subsidies reach the farmers in real sense and not the industrialists, who usually engulf huge amount of subsidies in the name of the farmers?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (DR. ABRAR AHMED): (a) Government proposes to continue import of controlled frtilizers to bridge the gap between the demand and indigenous availability. For insecticides and pesticides, import of only technical grade material is allowed and no change is envisaged in the policy.